ITT case report hints aid by Mitchell, Agnew

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WASHINGTON — A government summary of secret "ITT papers" indicated Tuesday that Vice President Spiro T. Agnew and former Atty. Gen. John N. Mitchell may have helped the International Telephone & Telegraph Corp. obtain valuable antitrust concessions.

Disclosure of the terse, highly condensed review of ITT records by the Securities and Exchange Commission staff may revive the year-old controversy over the Justice Department's settlement of its three lawsuits against the giant company.

The SEC summary, based on 34 cartons of ITT documents held under lock and key at the Justice Department, also shows the corporation's appreciation to former Treasury Sec. John B. Connally during the battle over antitrust policy.

THE ITT papers further refer to meetings of ITT executives with Charles Colson, special counsel to President Nixon, as part of an intensive effort to reverse a tough policy stand taken by Richard W. McLaren, former chief of the antitrust division. McLaren is now a federal judge in Chicago.

McLaren was demanding that ITT sell off the profit-rich Hartford Fire Insurance Co., a demand that ITT fought successfully during settlement talks arranged with Richard G. Kleindienst's intervention. Kleindienst is now the attorney general.

THE SUMMARY gave these highlights from ITT memos:

- One memo "indicates" that in a meeting between Mitchell and ITT president Harold S. Geneen, Mitchell said Mr. Nixon was "not opposed to the merger. He believed that mergers were good." (Mitchell testified before the Senate Judiciary Committee that he and Geneen discussed only antitrust policy and not the lawsuit aimed at reversing the ITT merger with Hartford.)

- Edward J. Gerrity, senior vice president of ITT, sent a "thank you letter" to Agnew in August, 1970, and suggested that Mitchell "get the facts relating to ITT's position to McLaren.'' An attached memo, the SEC said, "outlines a meeting that had occurred on the previous Tuesday with McLaren (Agnew)." There is a question mark over Agnew's name in the SEC document.

- 'ITT executives thanked Connally and Peter G. Peterson, who was then a White House aide, for helping to arrange an extension of filing time by the Supreme Court that helped ITT's cause.

- In a possible reference to Paul McCracken, former chairman of the Council of Economic Advisers, Mitchell and Connally, another ITT memo says cryptically: "Paul and the 2 Johns will be able to persuade McLaren to come to a satisfactory settlement."

- A memo from ITT's deputy chief in Washington, John Ryan, reports on a meeting with Maurice H. Stans, who was then secretary of commerce. The SEC said Ryan took the view that Kleindienst, then deputy attorney general in charge of the ITT case, "must follow through" and this "may be the break" that ITT wants. Ryan posed a rhetorical question: "How will McLaren react, or how good a Republican is McLaren?"

Mitchell declared the implication that he helped ITT was "totally false" and said when he left the Justice Department on March 1, 1972, that he has never talked to the President about any antitrust case.

A HOUSE Commerce subcommittee, which tried and failed to get the ITT papers from the SEC last October, made the summary public. Chairman Harley O. Staggers (D-W. Va.) told newsmen:

"We're not trying to imply guilt or innocence to anybody. The documents speak for themselves."

IN ANOTHER investigation involving ITT, a company official Tuesday confirmed that ITT tried to get U.S. government action to threaten President Salvador Allende with economic collapse in Chile.

"He had stolen our property without compensation — or they had said they were going to," William R. Merriam, ITT vice president explained to a Senate Foreign Relations subcommittee.

Merriam testified that ITT sought to apply pressure in 1971 through presidential adviser Henry A. Kissinger and the State Department to suspend U.S. foreign aid to Chile, to deny international bank loans and to apply other economic sanctions.

THE OBJECTIVE, he said, was to get the government of Chile to pay for expropriated property. Merriam said his company made the objective explicit to the State Department 25 times but "they didn't do it."

Merriam was called before the Senate Foreign Relations subcommittee on multinational corporations at the start of its investigation on the role of such corporations in the formulation of U.S. foreign policy.